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Foreign Agricultural Service

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EXPORT PROSPECTS FOR THE 1933-34 APPLE SEASON.

The prospects are for higher average prices for United States export apples during 1933-34 than in 1932-33, providing shipments are well-regulated. The volume of United States exports, however, is likely to be considerably reduced because of the short supply of high quality apples of export size. The world apple crop is also smaller than last year. Demand conditions show some improvement and the depreciation of the dollar in terms of foreign currencies will result in higher dollar returns to American apple exporters.

United States Supplies: A commercial apple crop for 1933 of 82,713,000 bushels was estimated for the United States, according to the October 11 crop report, or slightly below the 1932 crop. The barreled apple crop was placed at 45,015,000 bushels and the boxed apple crop at 37,698,000 bushels both of which are substantially the same size as the 1932 crops. (See table, page 7). Drought in the central states and scab, aphid, codling moth, and storms in the important apple producing states of the east not only have greatly reduced the crop but injured the quality of the fruit. It is anticipated that large quantities of fruit will be produced that will not come up to commercial standards. The total pack-out will be one of the smallest on record.

The only important apple producing states that have larger crops this year than last are Virginia, West Virginia, Michigan, Illinois, Idaho and California. Of these only Michigan and Idaho have a larger than average crop. The average commercial apple production in the United States for the 5-year period, 1927-28 to 1931-32, was 95,200,000 bushels of which 15,800,000 bushels, or 16.6 percent was exported and 79,400,000 bushels, or 83.4 percent, consumed domestically. It can be seen from these figures that the total United States commercial crop for 1933 of 82,713,000 bushels is not much above the average home consumption. Last year, 1932-33, the production amounted to 85,900,000 bushels and 13,800,000 bushels, or 16.1 percent was exported. This was a high proportion of exports for the size of the crop.

A serious condition with which American exporters have had to contend in past years has been the occasional flooding of export markets with low quality fruit. Under the new Apple and Pear Export Law this situation will be greatly improved since no Unclassified apples in barrels or baskets and no boxed apples below C grade will be permitted to clear for export. In addition, the fruit industry of the northwest plans to curtail the movement of C grade apples. This should restrict exports considerably this season and strengthen the export market for American apples.

From present indications, it appears that exports could be held back to good advantage and gradually fed out to the European export markets. Supplies are sufficiently scarce to warrant such a procedure. No varieties should be shipped before their season.

Competing Supplies: The European late apple crop is short this year and crop prospects are definitely inferior to last year. The chief producing countries estimate moderate yields. (See table, page 9). Of interest to United States growers is the report that the supply of late apples will be considerably less than usual. A record apple crop of 13,794,000 bushels is forecast for Canada, according to the crop report of September 1. Exports will probably exceed the 5,600,000 bushels shipped in the 1932-33 season by around 2,000,000 bushels. (See page 7). Most of these will go to the United Kingdom. The increase in the Canadian exports should be more than offset by the short European apple crops. Competition of Canadian apples with United States apples in the United Kingdom, however, is not as keen as is generally believed. 1/

Demand: The combination of the stronger domestic apple market, somewhat better business conditions in Europe, and the greatly improved foreign exchange position should result in higher average prices for United States export apples than in 1932-33. Demand conditions probably have not improved enough to assume that foreign markets will pay much more for apples in terms of their own currencies than last season but if the same price can be maintained as in 1932-33, dollar returns would be 20 to 30 per cent higher, under present exchange conditions. Whereas, the present foreign exchange position is a great advantage to the United States fruit trade as well as that of Canada, it has not aided the chief European apple exporting countries most of whom are on a gold basis.

The United Kingdom is the most important outlet for United States apples. (See table, page 8). The United States is the chief source of supply for the United Kingdom, although in years of large Canadian and small United States crops the imports from Canada are almost as large as those from the United States. This was the case in the 1929-30 and the 1932-33 seasons. In the coming 1933-34 season receipts from Canada will probably exceed those from the United States for the reasons mentioned above. Canadian apples, as well as those from other parts of the Empire,

enter the United Kingdom free of duty whereas apples from the United States are subject to a duty of 4s. 6d. per cwt (112 lbs.) or about 1 cent per pound at the present rate of exchange.

The small quantities of United States apples which will be available for export this season should find a good market in the United Kingdom in the 1933-34 season. This should be particularly true of dessert apples. Business conditions are somewhat improved in the United Kingdom and the exchange rate is much more favorable to United States shippers than last season. The table below gives the imports of apples into the United Kingdom in each of the last five years.

APPLES: Imports into the United Kingdom by countries,
season July to June

Country	: 1928-29	: 1929-30	: 1930-31	: 1931-32	: 1932-33	: Average 1928-29 1932-33
	: 1000	: 1000	: 1000	: 1000	: 1000	: 1000
	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>
United States...	10,357	5,332	7,075	9,398	5,845	7,601
Canada.....	3,246	5,303	3,701	4,595	5,460	4,461
Australia.....	1,818	2,506	3,240	4,260	4,290	3,223
New Zealand....	602	922	959	1,577	1,165	1,045
France.....	23	265	134	1,736	1,615	755
Belgium.....	56	138	9	172	840	243
Netherlands....	117	108	31	210	120	117
Portugal.....	50	130	35	102	18	67
South Africa...	8	8	28	33	66	29
Others.....	87	144	8	232	211	136
Total.....	16,364	14,856	15,220	22,315	19,630	17,677

Taken from the "Weekly Fruit Intelligence Notes" of the Empire Marketing Board, Vol. VII, No. 21, Boxes of 44 lbs.

Germany is the second most important foreign market for United States apples. (See table, page 8). The imports from the United States in the 1932-33 season were substantially higher than in 1931-32 which was probably due to the short European supplies and the low price at which apples sold in 1932-33. Germany has a limit on the amount of foreign exchange which can be purchased to pay for apple imports. The fall in the value of the dollar would allow for an increase in the imports during the coming season but on the otherhand this will be somewhat offset by the

higher apple prices. However, the small European apples crops, including the German crop, and the shortage of export apples in the United States should result in a good market in Germany for United States apples, providing no new trade barriers are raised. The table below gives the imports of apples into Germany during the past five seasons. It will be noted that Austria and Italy shipped unusually large amounts of apples to Germany in 1932-33. Shipments from these countries should be much smaller in the coming season but the takings from Switzerland will likely be larger.

APPLES: Imports into Germany by countries, season July to June.

Country	1928-29	1929-30	1930-31	1931-32	1932-33	Average 1928-29 1932-33
	1000 boxes	1000 boxes	1000 boxes	1000 boxes	1000 boxes	1000 boxes
United States.....	4,534	1,090	5,735	2,422	3,383	3,433
Austria.....	1,111	34	1,980	19	3,146	1,258
Italy.....	968	336	1,494	116	2,475	1,078
Switzerland.....	2,025	1,153	168	286	238	774
Yugoslavia.....	201	105	1,423	48	1,957	747
Netherlands.....	285	1,734	115	412	1,016	712
Belgium.....	338	815	87	72	1,074	477
Australia.....	275	360	344	184	334	299
France.....	363	17	771	1	196	270
Rumania.....	601	134	244	88	86	231
Czechoslovakia.....	751	60	66	44	169	218
Russia.....	229	372	120	217	58	199
Hungary.....	182	194	137	98	81	138
New Zealand.....	57	175	148	212	137	146
Others.....	230	150	1,344	82	251	411
Total.....	12,150	6,729	14,176	4,301	14,601	10,391

Taken from "Fruit Notes" of the Empire Marketing Board, Vol. VII No. 21.
Boxes of 44 lbs.

Only a fair crop of apples is in prospect in the Netherlands, the third most important outlet for American apples. (See table, page 8). This would indicate that there would be a fairly good domestic demand in the Netherlands for American apples in the coming season. However, the government has placed the imports of fruit under a monopoly. This decree became effective on August 28. The importation of fruit, fresh as well as dried or preserved, may be allowed entry by the customs authorities only on special permit granted by the Dutch Fruit and Vegetable Central. These permits are granted after the payment of certain fees fixed by the Minister of Economics for the benefit of the Dutch Agricultural Crisis Fund and are in addition to the duty. The fees on apples are 4 Dutch cents per kilo (2.2 lbs.) on packed apples and 2 Dutch cents per kilo on unpacked apples. American apples will take the higher rate. The duty is 10 per cent ad valorem. The duty on a box or bushel basket of apples at 10 per cent ad valorem this season will probably be about 15 cents to 25 cents and on a barrel 45 cents to 75 cents American money depending on the value. The fee will amount to about 55 cents on a box or basket and \$1.82 on a barrel. Thus the combined duty and fee on a box or basket will probably range from 70 cents to 80 cents and on a barrel from \$2.27 to \$2.57. These are among the highest import charges prevailing in any country. In addition it is not stated whether the permits will be granted freely or not. There seems to be little doubt but what the imposition of the new regulations will have a curbing effect on imports of American apples.

Although the importation of American apples into Holland for consumption may be discouraged by the new permit and fee system, the demand for apples for reexporting purposes should still continue. Situated strategically at the mouth of the Rhine has made Rotterdam an important trans-shipment port.

France expects only a moderate apple crop. The quantity of fruit imported is regulated by quota. The total quota for apples and pears from the United States in the 3-months period, July to September, 1933-34 season was 112.5 metric tons or less than the amount allowed in the same period in the previous season. The quota just announced for the United States in the October to December period is 3,790 metric tons as compared with 10,155 tons in the same period last year. This is a reduction of over 60 per cent. This will affect the American apple export trade severely but it is reported unofficially that the Minister of Agriculture has authority to increase the quotas by one-third if the need arises.

Total shipments of apples to France from the United States in 1932-33 were 1,000,000 bushels compared with 2,000,000 bushels in 1931-32. (See table, page 8). Most of the reduction was due to the quota system since practically all United States apples that gained entry into France sold at satisfactory prices whereas heavy losses were sustained in many other markets. Consequently it is reasonable to assume that had there been no quota, shipments would have been larger.

Belgium has a fair apple crop in prospect, however, it is not expected to come up to average. Exports to Belgium have been fairly uniform in the last two seasons amounting to 549,000 bushels in 1932-33 and to 652,000 bushels in 1931-32. This compares with the average of the preceding five years of 506,000 bushels. (See table, page 8). Due to the high duty on apples in containers of 20 kilos or less (44 lbs) the bulk of the Belgian imports are barreled apples. There does not seem to be any particular indications that Belgium will take less apples in 1933-34 than in previous years; on the contrary it would seem that the outlook is more favorable than last.

Crop reports from the Scandinavian countries indicate that good domestic crops are in prospect. This means more competition than usual to American apples at least early in the season but the domestic crops in these countries are not large and the keeping quality is generally poor. Therefore, the Scandinavian countries should prove to be at least as good an outlet as last season. Exports to Sweden in 1932-33 were 461,000 bushels or about average. Shipments to Norway were below average, because of the strict import regulations, reaching only 91,000 bushels. Denmark also took less than usual. Exports amounted to only 136,000 bushels. This was also because of import restrictions. Finland received direct shipments of 76,000 bushels of apples from the United States in 1932-33. (See table, page 8). In addition to the amounts shipped directly from the United States to the Scandinavian countries a considerable quantity of United States apples were reshipped by operators in nearby countries who were more successful in securing permits and licenses than those shipping direct from the United States.

Poland has a large apple production but the bulk of it is cider fruit. A short crop is in prospect for 1933. Shipments of United States apples to Poland have been small principally because of poor demand conditions in that country and the onerous import regulations. Only 20,000 bushels of apples were exported to Poland and Danzig in 1932-33 as compared to 104,000 in the previous season. It is impossible to predict with any degree of certainty what takings are likely to be in 1933-34; however, the probability is that they will be larger than in 1932-33. No quota will be in effect in 1933-34 and the import duties have been somewhat moderated.

Countries outside of Europe have taken about 7 per cent of the apple exports in the last two seasons. Shipments to Canada, Latin America, Asia, and other countries totalled 920,000 bushels in 1932-33 against 1,200,000 in 1931-32. (See table, page 8). Prospects are that these countries, with the exception of Canada, will prove to be better outlets in 1933-34 than last year.

APPLES: Production and exports, barreled, boxed and total,
United States and Canada, 1922-23 to 1932-33

Marketing year July-June	Total United States			U. S. boxed apples			U. S. barreled apples		
	Commer-	Ex-	Per	Commer-	Ex-	Per	Commer-	Ex-	Per
	cial	ports	cent of	cial	ports	cent of	cial	ports	cent of
	crop		crop	crop		crop	crop		crop
	a/		ex-	a/		ex-	a/		ex-
			ported			ported			ported
	Million:	Million:	Per	Million:	Million:	Per	Million:	Million:	Per
	bushels:	bushels:	cent	bushels:	bushels:	cent	bushels:	bushels:	cent
1922-23.....	95.8:	5.3:	5.5:	38.1:	3.5:	9.2:	57.7:	1.8:	3.1
1923-24.....	107.8:	12.3:	11.4:	49.8:	6.2:	12.4:	58.0:	6.1:	10.5
1924-25.....	84.0:	9.6:	11.4:	33.2:	5.1:	15.4:	50.8:	4.5:	8.9
1925-26.....	99.7:	11.0:	11.0:	43.0:	5.4:	12.6:	56.7:	5.6:	9.9
1926-27.....	117.4:	21.3:	18.1:	44.5:	7.8:	17.5:	72.9:	13.5:	18.5
Average....	100.9:	11.9:	11.8:	41.7:	5.6:	13.4:	59.2:	6.3:	10.6
1927-28.....	78.1:	9.4:	12.0:	38.6:	5.4:	14.0:	39.5:	4.0:	10.1
1928-29.....	106.4:	21.0:	19.7:	51.0:	12.0:	23.5:	55.4:	9.0:	16.2
1929-30.....	86.5:	10.3:	11.9:	39.7:	6.0:	15.1:	46.8:	4.3:	9.2
1930-31.....	101.0:	20.3:	20.0:	51.9:	12.0:	23.1:	49.1:	8.3:	16.9
1931-32.....	104.2:	17.9:	17.2:	38.4:	9.3:	24.2:	65.8:	8.6:	13.0
Average....	95.2:	15.8:	16.6:	43.9:	8.9:	20.5:	51.3:	6.8:	13.3
1932-33.....	85.9:	13.8:	16.1:	39.7:	8.5:	21.4:	46.2:	5.3:	11.5
1933-34 Est..	82.7:	:	:	37.7:	:	:	45.0:	:	:
Marketing year July-June	Total Canadian			Canadian boxed apples			Canadian barreled apples		
	Crop	Ex-	Per	Crop	Ex-	Per	Crop	Ex-	Per
		ports	cent of		ports	cent of		ports	cent of
			crop			crop			crop
			ex-			ex-			ex-
			ported:			ported:			ported
	Million:	Million:	Per	Million:	Million:	Per	Million:	Million:	Per
	bushels:	bushels:	cent	bushels:	bushels:	cent	bushels:	bushels:	cent
1922-23.....	11.7:	4.7:	40.2:	2.8:	b/	b/	8.9:	b/	b/
1923-24.....	11.5:	4.9:	42.6:	3.3:	b/	b/	8.2:	b/	b/
1924-25.....	8.2:	4.2:	47.2:	2.7:	b/	b/	6.2:	b/	b/
1925-26.....	8.9:	4.3:	48.3:	2.8:	b/	b/	6.1:	b/	b/
1926-27.....	8.8:	3.1:	35.2:	3.9:	b/	b/	4.9:	b/	b/
Average....	10.0:	4.2:	42.0:	3.1:	b/	b/	6.9:	b/	b/
1927-28.....	8.4:	2.8:	33.3:	3.2:	b/	b/	5.2:	b/	b/
1928-29.....	9.7:	3.3:	34.0:	4.4:	1.0:	22.7:	5.3:	2.5:	43.4
1929-30.....	11.8:	5.6:	47.5:	3.3:	.8:	24.2:	8.5:	4.8:	56.5
1930-31.....	10.2:	4.7:	46.1:	4.3:	1.3:	30.2:	5.9:	3.4:	57.6
1931-32.....	11.4:	5.0:	43.9:	3.4:	c/	.8:c/	7.5:c/	4.2:c/	56.0
Average....	10.3:	4.3:	41.7:	3.7:	d/	1.0:d/	6.5:d/	3.7:d/	56.9
1932-33.....	11.9:c/	5.6:c/	47.1:	5.1:c/	2.1:c/	41.2:	6.8:c/	3.5:c/	51.5
1933-34.....	13.8:	:	:	4.2:	:	:	9.6:	:	:

Compiled by the Foreign Agricultural Service from official sources.

a/ Commercial apple crop or that portion of the total crop sold for fresh consumption. b/ Not available. c/ Approximate. d/ Four year average.

APPLES: Total United States exports by countries, July to June

Country	Average 1926-27 to 1930-31		1931-32		1932-33	
	1,000 bushels	Per cent	1,000 bushels	Per cent	1,000 bushels	Per cent
United Kingdom.....	8,344.3	50.6	9,158.9	51.1	5,662.2	41.2
Germany.....	2,466.2	15.0	2,208.1	12.3	2,947.7	21.4
Netherlands.....	1,439.9	8.7	1,449.3	8.1	1,823.8	13.3
France.....	284.1	1.7	2,013.0	11.3	1,021.1	7.4
Belgium	506.4	3.1	651.9	3.7	549.0	4.0
Sweden.....	478.2	2.9	468.8	2.6	461.2	3.4
Norway.....	158.7	1.0	131.9	.7	90.6	.7
Denmark.....	387.2	2.4	469.9	2.6	135.7	1.0
Finland.....	71.2	.4	37.3	.2	75.8	.5
Poland and Danzig.....	6.0	-	104.4	.6	20.1	.1
Other Europe.....	35.1	.2	41.3	.2	46.2	.3
Total Europe.....	14,177.3	86.0	16,734.8	93.4	12,833.4	93.3
Canada.....	789.8	4.8	326.2	1.8	154.4	1.1
Mexico.....	92.1	.5	3.7	-	21.1	.2
Cuba.....	96.6	.6	48.2	.3	42.8	.3
Brazil.....	179.7	1.1	126.7	.7	127.8	.9
Argentina.....	635.4	3.9	190.3	1.1	163.5	1.2
Panama.....a/	23.6	.1	34.6	.2	37.6	.3
Philippines.....a/	93.4	.6	104.5	.6	103.5	.7
China.....a/	32.3	.2	40.2	.2	28.9	.2
Hong Kong.....a/	30.0	.2	50.0	.3	40.6	.3
British India.....a/	5.3	-	38.5	.2	25.0	.2
Egypt.....a/	60.1	.4	27.6	.1	30.8	.2
Others.....	261.3	1.6	196.3	1.1	144.5	1.1
Total.....	16,476.9	100.0	17,921.6	100.0	13,753.9	100.0
Total by months						
July.....	216.6	1.3	488.3	2.7	457.4	3.3
August.....	446.7	2.7	553.6	3.1	413.2	3.0
September.....	381.4	5.3	1,401.4	7.8	1,084.3	7.9
October.....	2,786.1	16.9	2,944.5	16.4	2,788.4	20.3
November.....	3,509.4	21.3	3,006.1	16.7	2,916.1	21.2
December.....	2,154.3	13.1	1,521.6	8.5	1,144.5	8.3
January.....	2,170.7	13.2	2,682.5	15.0	1,766.1	12.8
February.....	1,777.9	10.8	2,628.2	14.7	1,422.2	10.3
March.....	1,610.2	9.8	1,558.9	8.7	1,218.2	8.9
April.....	645.1	3.9	584.3	3.3	346.5	2.5
May.....	175.3	1.1	370.1	2.1	146.1	1.1
June.....	103.2	.6	182.1	1.0	50.9	.4
Total bushels.....	16,476.9	100.0	17,921.6	100.0	13,753.9	100.0
	1,000 dollars		1,000 dollars		1,000 dollars	
Total value.....	31,155		26,559		16,595	
Unit value.....	\$1.89		\$1.48		\$1.21	

Compiled by the Foreign Agricultural Service from official records.

a/ Boxes only, barrels negligible.

Summary of fruit crop prospects, 1932 and 1933

Country	Apples		Pears		Oranges		Grapefruit	
	1932	1933	1932	1933	1932	1933	1932	1933
<u>Exporting countries</u>								
Canada <u>a/</u>	Above average	Excellent	Average	Good	-	-	-	-
Jugoslavia....	-	Fairly good	-	-	-	-	-	-
Austria.....	Good	Fair	Fairly good	Fairly good	-	-	-	-
Czechoslovakia.....	Fair	Fairly good	Moderate	Fairly good	-	-	-	-
Bulgaria.....	Good	Fairly good	Good	Good	-	-	-	-
United States	Below average	Below average	Average	Average	Above average	Average	Above average	Below average
Puerto Rico...	-	-	-	-	<u>b/</u>	<u>b/</u>	Poor	Below average
Spain.....	-	-	-	-	Average	Average	<u>c/</u>	<u>c/</u>
Italy.....	Good	Good	Good	Good	Very good	Good	<u>c/</u>	<u>c/</u>
Cyprus.....	-	-	-	-	--	Average	<u>c/</u>	<u>c/</u>
Algeria.....	-	-	-	-	-	Fair	<u>c/</u>	<u>c/</u>
Palestine.....	-	Good	-	Fair	Very good	Good	Very good	Very good
Jamaica.....	-	-	-	-	Good	Good	Good	Fairly good
Cuba.....	-	-	-	-	<u>b/</u>	<u>b/</u>	Fairly good	Poor
British Honduras...	-	-	-	-	-	-	-	Good
<u>Exporting and importing countries</u>								
Netherlands...	Below average	Below average	Below average	Below average	-	-	-	-
Belgium.....	Fairly good	Below average	Light	Below average	-	-	-	-
France.....	Average	Fair	Fairly good	Fairly good	-	-	-	-
Switzerland...	Fair	Below average	Below average	Below average	-	-	-	-

continued -

Summary of fruit crop prospects, 1932 and 1933, cont'd

	Apples		Pears		Oranges		Grapefruit	
	1932	1933	1932	1933	1932	1933	1932	1933
Hungary.....	-	Average	-	-	-	-	-	-
<u>Importing</u>								
<u>countries</u>								
England.....	Below	Fair	Fairly	Fairly	-	-	-	-
	:average:		:good	:good				
Germany.....	Below	Below	Below	Average	-	-	-	-
	:average:	average:	average:					
Sweden.....	-	Good	-	Fair	-	-	-	-
Denmark.....	Below	Average	Below	Good	-	-	-	-
	:average:		:average:					
Norway.....	Fair	Good	Fair	Good	-	-	-	-

Compiled by the Foreign Agricultural Service from advices of its foreign representatives, the British Empire Marketing Board and trade sources. a/ Mostly important as an apple exporter. b/ Mostly wild oranges. c/ Grapefruit production small.

